

Why the problem isn't China

Nearly everything we are told about China is wrong or untrue. Posturing politicians and incompetent business and labor "leaders" use China as a scapegoat for their own failure to deal with changing world realities.

Everyone knows — or ought to know — that textiles and furniture, or indeed any basic manufacturing, is not the future. For our children's sake, if not our own, we need to face reality, assess it and make the changes necessary to make globalism work for us, not against us.



POINT OF VIEW

Richard Levy

To kick the process off, here is a little reality and truth:

- North Carolina's textile industry is gone. It is not coming back.

- Our state's furniture industry will go, too. What remains depends on how well business, labor and politicians respond. Right now, their responses offer little reason for encouragement.

- The war with China is over, and we won. China is capitalist. China's lead-

ers believe in free markets. Indeed, the biggest problem is that they are more capitalist than we are.

- China's rapid growth is good for the United States. In several ways. It expands markets for goods, commodities and services. It makes China more a part of the global economic system. It lowers the cost of basic goods, making our change from a basic manufacturing economy easier.

- The greater China's growth, the more opportunities for us. Especially in a basic manufacturing state such as North Carolina, we see China as a bottomless pool of cheap labor. We need to view China as a vast emerging middle class, and ask what we can provide.

Taking advantage of Chinese growth requires commitment, dexterity and intelligence, not just talk. Some recommendations:

1. We must stop posturing and tell the truth to our citizens. Pretending or posturing only delays the necessary changes. This is especially unfair to the workers whose lost jobs are not returning.

2. We must face facts: Fundamental change is expensive and vital. The world is moving fast. China and others are spending billions. Giant commitments and expenditures are required if we want to keep up.

3. Education, education, education. Only educated workers can do the sophisticated jobs that can keep us ahead of outsourcing or exporting. Our commitment to education has been lukewarm or worse. Our inadequacies cannot be hidden in a global economy.

4. North Carolina must connect as much as possible with Asia. The answer is not separation. Just the opposite. We should encourage as many Asians and Asian companies as possible to settle here. The competition will make us all better.

5. We must identify opportunities in China, not dwell on problems. The Chinese financial system is nearly bankrupt. Its health-care system is hopelessly inadequate. Prosperity creates a nearly insatiable demand for planes and hotels. Demographics will change the face of China in 20 years. China simply cannot handle these vital nonmanufacturing demands by itself.

6. Success is not a zero-sum game. A successful America requires a successful world. The 21st century need not belong to China or anyone besides us. The global economy is win-win. A bigger pie is good for us all.

Our problem is not what China or any other country is doing. It is what we are not doing. We are not facing reality. We are not telling ourselves the truth. We are not committing the money necessary to move ahead. We are not overhauling our education system. We are looking to avoid the hard work necessary to stay on top.

Those problems are ours. China didn't create them. We love to lecture other people about the necessity for hard work and the virtues of education and the free market. Well, now we need to look in the mirror and listen to our own lecture if we are not to fall victim to history.

Richard Levy is president and owner of HBD Inc., a Greensboro-based textile manufacturer that's frequently involved in exporting.

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